

THE TORONTO STOCK EXCHANGE

2/29/68

FILING STATEMENT NO. 1598.
FILED. MARCH 4th, 1968.

PCE EXPLORATIONS LIMITED

Full corporate name of Company

Incorporated under Part XI of The Ontario Companies Act by Letters Patent dated June 24, 1945 under the name Pacific (Eastern) Gold Mines Ltd.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous Filing Statement No. 1575.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

By Supplementary Letters Patent dated August 7, 1957 the name of the Company was changed to the present name.

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on page 4.
2. Head office address and any other office address.	The Head Office of the Company has been removed from Suite 613 to Suite 420, 159 Bay Street, Toronto, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "B" on page 5.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 7,500,000 shares, par value \$1.00 each Issued: 6,350,000 shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "C" on pages 5, 6 and 7.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Value Line is a closed-end diversified investment company of the management type. To the knowledge of the signatories hereto the only persons or companies holding a greater than 5% interest in Value Line are as follows: Arnold Bernhard & Co., Inc., 5 East 44th Street, New York, N. Y. and The Arnold Bernhard & Co., Inc. Profit Sharing and Savings Plan, 5 East 44th Street, New York, N. Y.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	See Schedule "C" paragraph (b) on page 7.

<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company will continue to concentrate its efforts on the properties in which it has an interest in the Coppermine River Area, District of MacKenzie, Northwest Territories, which activities will be resumed shortly. The Company will also expend the funds on hand and the proceeds from the aforesaid subscription by Value Line in participating in the exploration and development of claims in the said area held by Coppermine River Limited, Northville Explorations Limited and Teshierpi Mines Limited.</p>
<p>10. Brief statement of company's chief development work during past year.</p>	<p>See Schedule "E" on pages 8 and 9.</p>
<p>11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.</p>	<p>See Schedule "F" on pages 9 and 10.</p>
<p>12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.</p>	<p>Not Applicable</p>
<p>13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement</p>	<p>Canada Permanent Trust Company, 1901 Yonge Street, Toronto, Ontario holds in escrow 60,000 shares of the capital stock of the Company subject to release pro rata to the persons entitled thereto upon the written consent of the Board of Directors of the Company, The Toronto Stock Exchange, The Vancouver Stock Exchange, and the Ontario Securities Commission and subject to transfer, hypothecation or any form alienation within the escrow only upon the written consent of the aforesaid stock exchanges and the Ontario Securities Commission.</p>
<p>14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)</p>	<p>Isaac Burns, 242 6th Avenue, Lively, Ontario. 30,000 shares</p> <p>Both the Toronto and Vancouver Stock Exchanges have consented to the release of these shares from escrow.</p> <p>Gordon Leliever, Box 431, Streetsville, Ontario. 30,000 shares</p> <p>The Vancouver Stock Exchange has already consented to the release of these shares and the Toronto Stock Exchange has consented to the release of same effective March 15th, 1968.</p>

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.

As of February 23rd, 1968, the following comprised the five largest shareholders of the Company:

* Doherty, Roadhouse & McCuaig Bros.,
335 Bay Street, Toronto 1, Ontario 866,775 shares

** Goodwin, Harris & Company Limited,
347 Bay Street, Toronto 1, Ontario 524,550 shares

Hearne Coppermine Explorations Limited,
(N.P.L.), 401-1111 West Hastings St.
Vancouver, B. C. 350,000 shares

*** Dardo Exploration Holdings Ltd.,
c/o N. E. Phipps, White, Bristol, Beck
& Phipps, 335 Bay Street, Toronto 1, Ont. 200,000 shares

** Nesbitt, Thomson & Company,
355 St. James St. W.; Montreal, P. Q. 127,856 shares

* 85,000 of these shares beneficially owned by Assembly
Mines Ltd., Suite 420, 159 Bay Street, Toronto, Mr.
Watts' wholly owned Company.

** Beneficial ownership unknown to the signatories hereto.

*** The holders of all the issued and outstanding shares of
Dardo Exploration Holdings Ltd. are as follows:

Patricia Doherty, D'Arcy Rogers Doherty, Britton Manning
Doherty, all of 166 Warren Road, Toronto, Ontario, and
Virginia Doherty, 897 Avenue Road, Toronto, Ontario.

The signatories hereto understand that Dardo Exploration
Holdings Ltd. is the beneficial owner of such shares.
The 350,000 shares held by Hearne Coppermine Explorations
Limited are beneficially owned by that Company.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.

The Directors of the Company from time to time by
the solicitation of proxies from the shareholders
and those shareholders indicated in item 15
hereof, may be in a position to materially affect
control of the Company.

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.

Forty-seven thousand four hundred and fifty
shares of Gavan Mines Limited carried on the
books of the Company at \$1.00 - no quoted market
value.
Seven hundred and fifty thousand shares of Pacific
(Northern) Gold Mines Limited at book value of
\$164,226.00 - no quoted market value.
Thirty-one thousand two hundred and fifty shares
of San Judas Molybdenum Corporation Limited,
carried on the books of the Company at \$5,419.00
- no quoted market value.
Eight hundred and sixty-five thousand shares
of Coppermine River Limited, carried on the books
of the Company at \$150,000.00 - no quoted market
value.

SCHEDULE "A"

- (a) Change in the location of the Head Office of the Company (see item 2 hereof).
- (b) Change in Officers and Directors (see item 3 hereof).
- (c) Increase in the issued capital of the Company (see item 4 hereof).
- (d) By agreement dated the 21st day of February, 1968, The Value Line Development Capital Corporation ("Value Line") 5 East 44th Street, New York, N. Y., 10017, has agreed to purchase a total of 200,000 shares of the unissued capital stock of the Company at \$2.00 (U. S.) per share, with an option to subscribe for a further 100,000 shares at \$2.00 (U. S.) per share (see item 6 hereof).
- (e) Acceleration of options to purchase shares of Coppermine River Limited
See Schedule "D" commencing on page 7.
- (f) Participation in the undertaking of prospecting, exploration and development expenses on claims currently held by Northville Explorations Limited, Suite 420, 159 Bay Street, Toronto, Ontario in the Coppermine River Area, Northwest Territories and additional claims acquired by the said Company in said area (see item 19 hereof).
- (g) Proposed Agreement to be dated as of the 13th day of February, 1968 between the Company, Coppermine River Limited, Suite 420, 159 Bay Street, Toronto, Ontario, Consolidated Proprietary Mines Holdings Limited, Suite 206, 330 Bay Street, Toronto, Ontario, Newconex Canadian Exploration Limited, Suite 4003, Toronto Dominion Bank Tower, Toronto, Ontario, Conwest Exploration Company Limited, 10th Floor, 85 Richmond Street West, Toronto, Ontario, Pan American Canada Oil Company Ltd., 10th Floor, 444-Seventh Avenue Southwest, Calgary, Alberta and Teshierpi Mines Limited, Suite 420, 159 Bay Street, Toronto, Ontario (see item 19 hereof).

SCHEDULE "B"

Mr. Jacob Austin, Barrister and Solicitor,
2664 Edgar Crescent, Vancouver, British
Columbia has been appointed a Director of
the Company to fill the vacancy on the Board
caused by the resignation of Mr. A. David
Cossar.

Mr. R. Y. W. Campbell, 26 Noel Avenue, Toronto,
Ontario has resigned as a Director of the
Company and Mr. Mervin E. Davis, C. A.,
597 Hadden Drive, West Vancouver, B. C.
has been appointed a Director in his place
and stead. Mr. R. Y. W. Campbell continues
to hold the office of Secretary of the Company.

Messrs. Austin and Davis are officers and directors
of Hearne Coppermine Explorations Limited (N.P.L.)
(see item 4 below).

The current Officers and Directors of the Company
are as follows:

President & Managing Director	Murray Watts 55 Bayview Ridge Willowdale, Ont.	Mining Engineer & Prospector Self-Employed
Vice-President & Director	Murdock C. Mosher 168 Sandringham Dr. Downsview, Ont.	Prospector Self-Employed
Director	Jacob Austin 2664 Edgar Cres. Vancouver, B. C.	Barrister and Solicitor
Director	Mervin E. Davis 597 Hadden Drive W. Vancouver, B. C.	Chartered Accountant
Director	Donald Sirola 257 The East Mall Apt. 105 Islington, Ont.	Senior Mining Representative
Secretary	R. Y. W. Campbell 26 Noel Avenue Toronto, Ontario	Barrister and Solicitor
Treasurer	George Arthur Loader 35 Agar Cres. Islington, Ontario	Accountant

SCHEDULE "C"

- (a) Since the date of Filing Statement No. 1575
dated September 20th, 1967 the Company has
allotted and issued as fully paid and non-accessable
a further 350,000 shares of its capital stock to
Hearne Coppermine Explorations Limited (N.P.L.)
Suite 401 - 1111 West Hastings Street, Vancouver,
B. C. pursuant to the terms of a memorandum of
agreement dated as of the 18th day of September,
1967, as amended by agreement dated December 21st,

(Schedule "C" cont'd) 1967, Pursuant to the terms of said agreement, as amended, there remains outstanding an option to purchase all or any part of a further 175,000 shares in the capital stock of the Company at the price of \$1.75 per share on or before March 20th, 1968.

The Value Line Development Capital Corporation, 5 East 44th Street, New York, N. Y., 10017, U. S. A. has agreed with the Company to purchase a total of 200,000 shares of the Company's authorized and unissued capital stock at \$2.00 (U. S.) per share subject to the acceptance of the terms of this filing statement by the Toronto Stock Exchange. In consideration of Value Line's agreement to subscribe for and purchase the said shares the Company has granted to Value Line an option to purchase an additional 100,000 shares of its capital stock at \$2.00 (U. S.) per share, such option being exercisable in whole or in part up to and including 90 days following the acceptance of said filing statement, which date is hereinafter referred to as the "closing date".

Value Line, in accordance with the rules and policies of the Toronto Stock Exchange has agreed not to dispose of or distribute any of the underwritten or optioned shares for a period of six months from the date of closing and or the date of the exercise of the option, as the case may be.

The agreement further provides that the Company has undertaken at its expense and upon the direction of Value Line to obtain the necessary permissions from such regulatory bodies having jurisdiction to permit the sale or distribution of the said shares on the Toronto Stock Exchange (or in the United States of America) for a period of three years from the closing date.

The Company has agreed further to reimburse Value Line for its reasonable expenses including such reasonable legal fees and disbursements as may be incurred by Value Line in connection with the subscription of shares as aforesaid.

It is a further term of the agreement that the Company has agreed to restrict the subsequent public sale of its shares at prices at least equal to Value Line's subscription prices, as aforesaid, until December 31st, 1968, it being understood however that the Company may during such period issue and sell additional shares at lower prices, but not exceeding \$600,000.00 Canadian in the aggregate.

(Schedule "C" cont'd) The Company has granted to Value Line a seven day right of first refusal for a period of three years from the closing date to purchase any shares offered by the Company at a price less than Value Line's subscription price, namely \$2.00 (U.S.) per share.

- (b) A fee of \$5,050.00 is payable to Playfair & Company Ltd., 60 Yonge Street, Toronto 1, Ontario by PCE Explorations Limited with respect to this transaction.

SCHEDULE "D"

On or about October 5th, 1967, the Company as one of the holders of optioned shares of Coppermine River Limited agreed to purchase 60,000 of such optioned shares for \$30,000.00, so that in total, Coppermine River Limited received \$150,000.00 for 300,000 optioned shares so taken down. By agreement dated as of November 10th, 1967 between the Company, Newconex Canadian Exploration Limited, Suite 4003, Toronto Dominion Tower, Toronto, Ontario, Conwest Exploration Company Limited, Suite 1001, 85 Richmond Street West, Toronto, Ontario, Consolidated Proprietary Mines Holdings Limited, Suite 206, 330 Bay Street, Toronto, Ontario and Pan American Canada Oil Company Ltd., 10th Floor, 444 Seventh Avenue Southwest, Calgary, Alberta (hereinafter collectively referred to as the "Underwriters"), and Coppermine River Limited, Suite 420, 159 Bay Street, Toronto, Ontario, (hereinafter referred to as "Coppermine"), the Underwriters agreed to take up and pay for a further \$725,000.00 worth of shares in the capital stock of Coppermine in order to provide that Company with sufficient funds to accelerate its current exploration and development program on its mining properties situate in the Coppermine River Area, Northwest Territories. Each of the Underwriters has purchased a further 40,000 unissued shares in the capital stock of Coppermine at the price of 50 cents per share to provide Coppermine with \$100,000.00.

Each of the Underwriters has agreed to immediately purchase a further 100,000 shares at 50 cents per share to provide Coppermine with an additional \$250,000.00, and on or before April 1st, 1968 the Underwriters have each agreed to purchase a further 100,000 shares at 75 cents per share providing Coppermine with a further \$375,000.00.

(Schedule "D" cont'd) On April 1st, 1968 after the completion of the purchase of the 500,000 shares at 75 cents per share, the holdings of each of the five participants in shares of Coppermine River Limited will be as follows:

PCE Explorations Limited - 1,065,000 shares (565,000 esc'd.)
Newconex Canadian Exploration Limited - 500,000 shares
Conwest Exploration Company Limited - 500,000 shares
Consolidated Proprietary Mines Holdings - 537,500 shares
Limited (37,500 esc'd.)
Pan American Canada Oil Company Ltd. - 500,000 shares

At that time, the authorized capital of Coppermine will consist of 5,000,000 shares, n.p.v. of which 3,250,005 shares will be issued.

In addition to the foregoing a total of 147,500 escrowed shares are held by certain prospector interests.

Upon the completion of the aforesaid commitments by each of the Underwriters, a further 500,000 shares at 75 cents per share and 1,000,000 shares at \$1.00 per share will remain under option to the Underwriters, in equal proportions, exercisable on or before April 1st 1969 and April 1st, 1970 respectively.

SCHEDULE "E"

During the 1967 field season the Company, participating jointly with Conwest Exploration Company Limited, Newconex Canadian Exploration Limited, Pan American Canada Oil Company Ltd. and Consolidated Proprietary Mines Holdings Limited provided the necessary funds for an extensive exploration programme on a total of 1,554 mining claims held by Coppermine River Limited in the Coppermine River Area, Northwest Territories. The exploration programme consisted of electromagnetic, magnetic and induced polarization surveying, geological mapping, trenching, prospecting and diamond drilling.

As a result of various anomalous conditions evidenced by such preliminary work, a total of 75 diamond drill holes were put down totalling 18,804 feet. In Area 47 and its extension good grade copper intersections were obtained over a strike length of 1,300 feet and to a maximum vertical depth of 509 feet.

Three permanent buildings were constructed at the base camp comprising a bunk house - kitchen, office complex and garage, together with various framed tents and sleigh-mounted cabooses to provide additional accommodation for drill crews and warehousing, etc.

Over thirty miles of tote roads were also constructed to provide access to the various drill sites and prospecting areas of interest.

(Schedule "E" cont'd) An airstrip 3,200-feet long and 125 feet wide was constructed during the summer months and a radio navigational beacon was also erected to make possible the utilization of the airstrip during adverse weather conditions.

Radio-telephone communication has been installed.

Geological mapping was completed on more than 1,500 square miles of the central portion of the basalt belt of the Coppermine River series in the spring of 1967. The main Coppermine River Limited group was entirely mapped at a scale of 1,000 feet to the inch.

Of the over 190 line miles of geophysical surveying carried out in 1967, reconnaissance I.P. surveys accounted for 109 line miles and detailed I.P. surveys, 8 line miles. Approximately 63 line miles of E.M. surveying and 10 line miles of magnetometer surveying were also completed.

The main I.P. anomaly in said Area 47 extends for approximately 6,000 feet and diamond drilling carried out along some 1,300 feet of the anomaly has indicated excellent correlation between the I.P. and the zone of the disseminated copper that has been outlined thus far.

Several anomalies similar to the one mentioned above lie in Area 47 and 5-6 and have yet to be drilled.

SCHEDULE "F"

Not applicable. However, during the past year and in the fall of 1966 the Company has staked, optioned, or otherwise acquired in excess of 3,438 claims in the Coppermine River Area, Northwest Territories, a total of 1,554 of which have been transferred to Coppermine River Limited.

Certain of the claims acquired by the Company in the Coppermine River Area were subject to a right of first refusal in favour of Coppermine River Limited under the terms of the pre-incorporation agreement dated February 27th, 1967 as entered into by the financing group. Coppermine River Limited has exercised said right in respect to 754 claims, which claims are being acquired by Teshierpi Mines Limited for 410,000 escrowed shares of that Company. The Company will receive a total of \$56,466.23 from Coppermine River Limited for the 754 claims aforesaid.

(Schedule "F" cont'd)

The Company will transfer a further 754 mining claims in the said area to Teshierpi Mines Limited (hereinafter called "Teshierpi") for 410,000 escrowed shares of that company and will vend a further 328 claims to that company for the total sum of \$24,562.16.

Teshierpi will acquire a total of 36 claims from the Company for \$5,400.00 plus certain minor costs.

The Company will assign its interest to Teshierpi in an option agreement dated July 22nd, 1967 with Andy Kakik of Coppermine, Northwest Territories covering 12 claims in the Coppermine River area for the sum of \$250.00.

The \$56,466.23 for the 754 claims, the \$24,562.16 for the 328 claims, the \$250.00 for the 12 claims and the \$5,400.00 for the 36 claims, all as above mentioned, represent the Company's cost of acquisition.

In the spring of 1967 the Company acquired at the cost of staking eighteen claims in Creelman Township, eighteen claims in Fraleck Township and nineteen claims in Nairn Township all in the Sudbury Mining Division, Province of Ontario, at a total cost of approximately \$1,800.00. These claims were acquired to cover a potential uranium bearing formation and no work is currently planned.

The Company holds no claims in its own right in the Coppermine River area.

SCHEDULE "G"

- (a) By Agreement dated November 24th, 1967, as amended by agreement dated December 8th, 1967, between Northville Explorations Limited, Suite 420, 159 Bay Street, Toronto, Ontario (hereinafter referred to as "Northville") and Cominco Ltd., 630 Dorchester Boulevard West, Montreal, Quebec, Newconex Canadian Exploration Limited, Suite 4003, Toronto Dominion Bank Tower, Toronto 1, Ontario, Conwest Exploration Company Limited, Suite 1001, 85 Richmond Street West, Toronto, Ontario, Pan American Canada Oil Company Ltd., Calgary, Alberta and the Company (hereinafter collectively referred to as the "Developers") and David O. Markle, 52 The Bridle Path, Toronto, Ontario and Gordon Leliever, Box 431, Streetsville, Ontario, the Developers, in consideration of Markle agreeing to transfer to Northville a total of 117 mining claims situate

(Schedule "G" cont'd)

in the Coppermine River Area, Northwest Territories have in equal proportions agreed to undertake prospecting, exploration and development expenses on the property already owned by the Company in the said Coppermine River Area, Northwest Territories and the property to be acquired from Markle, as aforesaid, and in consideration therefor will each have the right to receive shares in the capital stock of Northville at the following times and in the following amounts, namely:

(a) 80,000 shares at 25 cents per share on or before the first day of September, 1967.

(b) 40,000 shares at 30 cents per share on or before the thirty-first day of October, 1968.

(c) 40,000 shares at 40 cents per share on or before the first day of September, 1969.

(d) 40,000 shares at 50 cents per share on or before the thirty-first day of October, 1969.

The Developers have already deposited the total sum of \$100,000.00 in escrow to be applied pursuant to the provisions of said agreement.

Control in Northville rests in a block of 675,000 escrowed shares held by Gordon Leliever who has agreed to arrange for the transfer of 25% of such shares, namely, 168,750 shares to the Developers in equal proportions, at the price of 4 1/2 cents per share, forthwith upon the Developers incurring said expenses in the amount of \$100,000.00, and a further 168,750 shares at 4 1/2 cents per share forthwith upon the incurring of further similar expenses by the Developers in the amount of \$60,000.00. The Ontario Securities Commission has already consented to the aforesaid transfers within the escrow. It is understood that if the Developers do not contribute the expenditures of \$60,000.00 referred to above, application will be made to the Ontario Securities Commission to vary its order consenting to the transfer of the further 168,750 shares to be sold and transferred by Gordon Leliever, so that such shares shall be sold and transferred to, and purchased by those Developers participating in the said expenditures in proportion to their holdings of free and escrowed shares of the Company to date, acquired directly as a result of their participation in this

(Schedule "G" cont'd)

transaction, and not by purchase unless such purchase is part of an assignment of rights and obligations permitted by said agreement.

Pursuant to the terms of the said agreement, Markle has agreed to arrange for the transfer to Northville of the said 117 mining claims situate in the Coppermine River Area, Northwest Territories in consideration for the allotment and issue of 300,000 vendor shares in the capital stock of Northville, such shares to remain in escrow subject to release, transfer, alienation of hypothecation only upon the consent of the Board of Directors of the Company and subject to such escrow provisions as may be imposed by the Ontario Securities Commission or any other regulatory authority having jurisdiction.

The Developers may from time to time apply in satisfaction of the amounts to be applied in acquiring the aforesaid shares, their respective commitments and actual expenditures therefor plus any further expenditures incurred for drilling, exploration, prospecting, exploration and development. In the event that the Developers have not incurred expenditures sufficient to satisfy the allotment and issue of shares of Northville by the due dates aforesaid, then any deficiency may be made up by each of the Developers advancing cash to Northville for such purpose before the due dates. The Developers, or any of them, having participated in the initial expenditure of \$100,000.00 shall not be obligated to participate in any further expenditures under the terms of said agreement.

Gordon Leliever has declared a 40% interest in the 117 mining claims transferred to Northville. To the knowledge of the signatories hereto there are no other persons or companies holding any interest in said mining claims other than Leliever and Markle.

The parties to the said agreement have agreed that the Board of Directors of Northville shall be comprised of a nominee of each of the Developers so long as such Developer holds at least 80% of the shares of the capital stock of Northville acquired by it pursuant to the terms of said agreement.

(Schedule "G" cont'd) (b) Noranda Exploration Company, Limited, has abandoned all its rights, title and interest in an agreement dated March 10th, 1967 pursuant to the terms of which the Company granted to Noranda an option to purchase its one third interest with Noranda in 18 claims in Halkirk & Watten Townships, Fort Frances Mining Division, Ontario. The Company is reconsidering its position with regard to these claims.

(c) By agreement dated as of the 13th day of February, 1968 between the Company, Newconex Canadian Exploration Limited, Conwest Exploration Company Limited, Pan American Canada Oil Company Ltd., Consolidated Proprietary Mines Holdings Limited (hereinafter collectively referred to as the "Developers") and Coppermine River Limited and Teshierpi Mines Limited, Suite 420, 159 Bay Street, Toronto, Ontario, the Developers agreed to undertake prospecting, exploration and development expenses in respect of certain mining claims in the Coppermine River Area, Northwest Territories to be acquired by Teshierpi Mines Limited and in consideration of the Developers incurring such expenses in the minimum sum of \$500,000.00, the Developers will have the right to purchase all or any part of 1,000,000 unissued shares in the capital stock of Teshierpi at 50¢ per share on or before December 31st, 1968.

In further consideration of the Developers incurring further said expenses, they will have the right to purchase additional shares of Teshierpi, as follows:

(a) All or any part of 1,000,000 shares at 50 cents per share payable on or before December 31st, 1969.

(b) All or any part of 1,000,000 shares at 75 cents per share payable on or before December 31st, 1970.

(c) All or any part of 1,000,000 shares at \$1.00 per share payable on or before December 31st, 1971.

(Schedule "G" cont'd)

It is a further term of said agreement that Teshierpi will acquire a total of 1,884 mining claims in the Coppermine River Area, Northwest Territories as follows:

(a) From PCE Explorations Limited - a total of 754 claims for 410,000 escrowed vendor shares of the capital stock of Teshierpi.

(b) From Coppermine River Limited - a total of 754 claims for 410,000 escrowed vendor shares of the capital stock of Teshierpi.

(c) PCE Explorations Limited will sell to Teshierpi a further 328 claims for the total sum of \$24,562.16.

(d) PCE Explorations Limited will assign to Teshierpi all its right, title and interest in and to an option agreement dated as of the 22nd day of July, 1967 made between PCE and Andy Kakik of Coppermine, Northwest Territories covering a total of 12 claims for the total sum of \$250.00. There remain options outstanding under the terms of the said agreement of July 22nd, 1967 payable to Andy Kakik as follows: \$750.00 payable on or before the 24th day of May, 1968, \$19,000.00 payable on or before the 24th day of May, 1969.

(e) Teshierpi will purchase a total of 36 claims from PCE Explorations Limited for \$5,400.00 plus minor costs. A further 180,000 escrowed vendors shares of the capital stock of Teshierpi will be allotted and issued to satisfy in full the obligations by PCE Explorations Limited arising out of the transfer of the said claims to Teshierpi to certain prospectors as follows:

Lloyd McCart Temagami Ontario	30,000 escrowed vendor shares
Carl Mosher Cobalt Ontario	25,000 escrowed vendor shares
Ron C. Sheardown 52 Brian Drive Agincourt, Ontario	25,000 escrowed vendor shares
Calvin Black Apt. 308 85 Lawton Blvd. Toronto, Ontario	25,000 escrowed vendor shares
Henry Philippon 267 Perreault St. East Rouyn, Quebec	15,000 escrowed vendor shares
Murray Watts, Sr. 55 Bayview Ridge Willowdale Ontario	50,000 escrowed vendor shares
George Byles Haileybury Ontario	10,000 escrowed vendor shares

(Schedule "G" cont'd)

The Developers in their respective percentage interests hereinafter set out have agreed to expend the minimum sum of \$500,000.00 as aforesaid with respect to a program of prospecting, exploration and development on the mining claims:

PCE	25%
Conwest	25%
Pan American	25%
Newconex	15%
Consolidated	<u>10%</u>
	100%

The Developers may from time to time apply in satisfaction of the amounts to be paid by them in acquiring shares as aforesaid, their respective actual expenditures incurred for prospecting, exploration and development. In the event the Developers have not incurred expenditures sufficient to satisfy the allotment and issue of shares of Teshierpi by the due dates then any deficiency may be made up by each of the Developers paying cash to Teshierpi for such purpose on or before the respective due dates.

Teshierpi Mines Limited was incorporated under the laws of the Province of Ontario by Letters Patent dated February 13th, 1968 with an authorized capital of \$5,000,000.00 divided into 5,000,000 shares without nominal or par value.

FINANCIAL STATEMENTS

PCE EXPLORATIONS LIMITED

BALANCE SHEET

AS AT 31 ST. JANUARY, 1968

ASSETS

Current assets

Cash	36,685.02
Deposit receipts	525,000.00
Accounts receivable	88,843.46
Sundry deposits	500.00

\$ 651,028.48

Expenditures on Coppermine River Ltd. Claims	127,818.77
Investment in Coppermine River Ltd. Shares	150,000.00
Investment in Unlisted Mining Companies	169,645.67

Fixed assets - at cost

Mining properties	217,555.87
Prospecting equipment	5,251.05
Motor vehicle	2,200.00

225,006.92

Other assets and deferred expenditures

Interest in exploration participation	36,429.42
Deferred exploration, development and administrative expenses	307,913.09

344,342.51

1,667,842.35

LIABILITIES

Current liabilities

Accounts payable and accrued charges	Nil
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SHAREHOLDERS' EQUITY

Capital stock

Authorized:

7,500,000 shares par value \$1.00

Issued and fully paid:

6,350,000 shares	6,350,000.00
Plus: Premium on shares	
	<u>311,500.00</u>
	6,661,500.00

Less: Discount on shares	<u>4,404,690.84</u>	2,256,809.16
<u>Deficit</u>		(588,966.81)

1,667,842.35

APPROVED ON BEHALF OF THE BOARD

\$1,667,842.35

Wednesday 11/1/51 Director

Director Director

PCE EXPLORATIONS LIMITED
STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE
EXPENSES
FOR THE ELEVEN MONTHS ENDED
31ST. DECEMBER, 1967 AND ONE MONTH ENDED 31ST JANUARY, 1968

	One month ended <u>31/1/68</u>	11 months ended <u>31/12/67</u>
Balance beginning of period	<u>301,141</u>	<u>167,988</u>
Drafting		866
Engineering	1,026	7,167
General expense		546
Prospecting supplies		1,658
Staking	1,102	63,883
Surveys		6,545
Travel		2,153
Wages		<u>10,566</u>
	<u>2,128</u>	<u>93,484</u>
Accounting		2,632
Advertising & Promotion	179	1,941
Audit & Legal	3,845	18,073
Employee Benefits		740
Fees & Licenses		1,266
General	(3)	6,430
Insurance		249
Interest & exchange	5	100
Secretarial		81
Shareholders information		1,778
Telephone & telegraph	154	1,194
Rent & office services	200	2,200
Transfer agents fees		2,678
Travel	<u>731</u>	<u>2,292</u>
	<u>5,111</u>	<u>42,654</u>
Less: Interest on Deposits	<u>467</u>	<u>2,985</u>
	<u>4,644</u>	<u>39,669</u>
Total to date	<u>307,913</u>	<u>301,141</u>

PCE EXPLORATIONS LIMITED
STATEMENT OF SOURCE & APPLICATION OF FUNDS
FOR THE ELEVEN MONTHS ENDED 31ST. DECEMBER,
1967 AND THE MONTH ENDED 31ST. JANUARY, 1968

	One month ended <u>31/1/68</u>	11 months ended <u>31/12/67</u>
<u>Source of Funds</u>		
Interest earned	\$ 467	2,985
Sale of shares	<u>-</u>	<u>778,200</u>
	<u>467</u>	<u>781,185</u>
<u>Use of Funds</u>		
Joint exploration expenses	-	74
Investment in unlisted mining Co.	-	5,418
Investment Coppermine River Ltd. shares	-	150,000
Investment Coppermine River claims	-	2,888
Purchase of truck	-	2,200
Prospecting equipment	-	472
Mining lands & rights	--	5,650
Exploration, development and administrative	<u>7,239</u>	<u>136,140</u>
	<u>7,239</u>	<u>302,842</u>
Increase (decrease) in Working Capital	(6,772)	478,343
Working Capital beginning of period	657,801	179,458
Increase (decrease) in Working Capital	<u>(6,772)</u>	<u>478,343</u>
Working Capital end of period	<u>651,029</u>	<u>657,801</u>

COPPERMINE RIVER LIMITED

BALANCE SHEET

AS AT 31 ST. JANUARY, 1968

ASSETS

Current assets

Cash in bank	\$ 13,669.67	
Accounts receivable and advances	2,067.53	
Prepaid expenses	11,656.20	
Commissary	726.91	
Deposits	<u>15.00</u>	
		\$ 28,135.31

Mining properties - at cost 375,040.00

Fixed assets - at cost

Buildings	31,964.61	
Office equipment	70.75	
Machinery & equipment	73,992.45	
Camp Equipment	<u>20,346.31</u>	126,374.12

Deferred expenditures

Exploration	625,306.10	
Administration	<u>60,049.55</u>	
		685,355.65

Organization expense 2,866.00

\$1,217,771.08

LIABILITIES

Current liabilities

Loans payable - PCE	79,536.13	
Accounts payable & accrued charges - Head Office	3,804.59	
Accounts payable & accrued charges - Field	<u>9,430.36</u>	
		92,771.08

SHARE CAPITAL

Authorized:

5,000,000 shares of no par value

Issued and fully paid:

750,000 shares for mining properties	375,000.00	
1,500,000 shares for cash	<u>750,000.00</u>	
		<u>1,125,000.00</u>

\$ 1,217,771.08

APPROVED, ON BEHALF OF THE BOARD

Director

Director

COPPERMINE RIVER LIMITED

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATIVE EXPENSE

FROM INCEPTION 1 ST. MARCH 1967 TO 31ST JANUARY, 1968.

	Total to 31/12/67	Month of Jan. 1968	Total to 31/1/68
<u>EXPLORATION</u>			
Assaying & metallurgical	\$ 7,189.30	\$ 778.70	\$ 7,968.00
Claims & prospecting supplies	4,081.80	19.00	4,100.80
Resident, management & consultants fees	19,138.94		19,138.94
Camp supplies	9,687.17	108.55	9,795.72
Caterpillar parts	27.38		27.38
Drafting	9,049.50		9,049.50
Drilling - company	15,701.35		15,701.35
Drilling - contract	105,425.73		105,425.73
Equipment and camp maintenance	14,747.75	85.20	14,832.95
First aid supplies	480.61		480.61
Freight & express - Rail	2,523.97	11.50	2,535.47
Freight & express - Company aircraft	65,845.17		65,845.17
Freight & express - Charter	99,443.36	7,481.02	106,924.38
Freight & express - Helicopter	36,050.75		36,050.75
Freight & express - Motor Transport	12,464.82		12,464.82
Freight & express - Tractor	1,723.10	601.68	2,324.78
Food & cookery	11,934.51	952.41	12,886.92
General expense	334.97		334.97
Geophysical Survey - company	1,648.55	64.12	1,712.67
Geophysical Survey - contract	35,873.83		35,873.83
Geological Survey - contract	2,000.00		2,000.00
Geological Survey - company	517.50		517.50
Rental equipment	2,875.80		2,875.80
Reports, maps & prints	9,964.91	1,252.80	11,217.71
Radio communications	3,669.98		3,669.98
Roads & airstrip	529.21		529.21
Sampling & supplies	414.49		414.49
Stripping & test pitting	423.38		423.38
Surveying supplies	342.80		342.80
Shop, garage maintenance & parts	14,403.35	2,322.05	16,725.40
Travel	17,776.60	1,200.80	18,977.40
Wages	94,749.94	9,387.75	104,137.69
	<u>\$601,040.52</u>	<u>\$24,265.58</u>	<u>\$625,306.10</u>
<u>ADMINISTRATION</u>			
Accounting	2,205.30		2,205.30
Bank charges & interest	336.67	48.24	384.91
Expediting	4,433.91		4,433.91
General expense	1,337.03	32.34	1,369.37
Insurance	1,280.18	1,107.58	2,387.76
Legal & audit	6,821.62		6,821.62
Licenses & fees	32.00		32.00
Management	12,000.00	1,000.00	13,000.00
Office expense	998.49	258.20	1,256.69
Rent	2,540.00	75.00	2,615.00
Secretarial	1,093.28	100.00	1,193.28
Telephone & telegraph	8,764.44	48.03	8,812.47
Travel	6,871.34		6,871.34
Transfer fees	3,108.00		3,108.00
Wage burden	7,225.79	649.77	7,875.56
	<u>59,048.05</u>	<u>3,319.16</u>	<u>62,367.21</u>
Less: Interest income	<u>2,317.66</u>		<u>2,317.66</u>
	<u>\$56,730.39</u>	<u>\$3,319.16</u>	<u>\$60,049.55</u>

REPORT

March 4th, 1968.

PCE EXPLORATIONS LIMITED
SUMMARY OF 1967 EXPLORATION PROGRAM
AND PROPOSED 1968 PROGRAM
ON THE COPPERMINE RIVER LIMITED PROPERTIES
COPPERMINE RIVER N. W. T.

INTRODUCTION

The incorporation of Coppermine River Limited, resulted from a successful prospecting program in the Coppermine River area of the Northwest Territories in 1966, which led to the discovery of several significant new copper showings and the subsequent staking of a large block of claims.

Coppermine River limited acquired 1554 claims from PCE Explorations Limited, of which 45 claims were formerly owned by Consolidated Proprietary Mines Holdings Limited.

The participants in the Coppermine River Limited, include PCE Explorations Limited, Pan American Canada Oil Company Limited, (a wholly owned subsidiary of Standard Oil of Indiana), Newconex Canadian Explorations Limited, Conwest Exploration Company Limited, and Consolidated Proprietary Mines Holdings Limited; which jointly financed the 1967 exploration program, which was designed to provide limited geological data on the basaltic flows together with initial testing of certain geological structures known to contain copper bearing mineralization. From the time of incorporation to December 31, 1967 expenditures by the company totalled \$667,770.00.

As a further aid to the exploration program surface trenching, prospecting, geological mapping, air-photo geologic interpretation and geophysical survey were carried out, the latter involving electromagnetic, magnetic and induced polarization methods.

As a result of the air photo studies of the basaltic rocks of the area completed in the spring of 1967, a second block comprising 600 claims were staked for the company about 28 miles north-west of Hope Lake.

A third claim group of 210 claims were staked to the north-east of Hope Lake to cover the strike extension of the major Teshierpi fault structure.

SURFACE WORK

DIAMOND DRILLING

A total of 18,804 feet obtaining "A" core was drilled in 75 holes in five separate areas within the main group (No. 1) of Coppermine River Limited, within the period June 6 to December 18, 1967, where work was suspended for the Christmas period and the exhaustion of operating supplies.

Thirty-six holes totalling 3835 feet were drilled in Areas - 1, 4, 13, 23, 25 and 26 without encountering significant copper mineralization.

AREA NO. 47

However, thirty-nine holes totalling 14,969 feet were drilled in area 47 and its extension within the Teshierpi Fault area, where significant copper bearing intersections were obtained for a strike length of 1300 feet and to a maximum vertical depth of 509 feet which has drill-indicated 3.09 million tons with an average grade of 3.48% copper (or 3.14% copper after allowing for 10% dilution) (computed by R. Hindson in a report the company dated February 12, 1968).

The zone is still open to depth and along strike to the south-west.

The I.P. anomaly on the No. 47 zone had a total strike length of about 6000 feet.

TRANSPORTATION

In April 1967, over 300 tons of building and other supplies together with the essential machinery and equipment including a 25 ton D-7 bulldozer were airfreighted to the property by Hercules aircraft.

Additional airfreighting using the company constructed airstrip was provided throughout the season by chartered DC-3, and Bristol aircraft.

Local servicing of geological, geophysical and prospecting parties was carried by float equipped Cessna 206, a Turbo-Beaver and by a Bell A1-2 Helicopter under charter to the company.

A Dodge 4WD Truck was purchased in the early fall to provide road transport between the base camp at Hope Lake and the airstrip and also to the diamond drills operating in the No. 47 area.

CONSTRUCTION

(a) Building

Three permanent type buildings were constructed as the nucleus for the base camps located at Hope Lake.

Two of the buildings 24' x 68' x 8' were fully insulated and comprise a cookery, bunk-house, and a combination warehouse, office-staff.

The third building 42' x 24' x 12' walls is a heated garage-mechanic shop capable of housing the largest tractor.

Electric power is supplied to all buildings from a diesel-generator while the two main buildings are also equipped with modern running water and sanitation facilities.

Several framed tents were erected for temporary ware-housing, sleeping accommodation and for diamond drill core storage.

Two insulated sleigh-mounted portable trailer type cabooses were constructed to provide independant accommodation and cookery facilities for the diamond drillers. These were moved as required using the D-7 Tractor bulldozer. A third trailer caboose type unit housed two - 750 gallon tanks which were used to supply water to the diamond drills after freeze-up. This unit was also useful for icing winter roads.

(b) Tote Roads

About 30 miles of tote roads were constructed using the D-7 bulldozer for ready access and transport to the various drill sites and areas of prospecting interest.

(c) Airfield and Radio Beacon

An airstrip 3200' long and 125' wide was constructed in 9 days in early July which was used regularly for the balance of the season by wheeled aircraft, chiefly DC-3 and Bristol types. It is the only means of access during break-up and freeze-up seasonal periods.

A radio-beacon was installed at the Hope Lake making it possible to utilize the base during adverse weather conditions.

(d) Communications

Radio-telephone communication was installed for service to Hay River and Yellowknife with the former being accessible to a long distance telephone mobile unit through the use of a Spilsbury and Tyndall SB-60H set.

All field camps were provided with SBX10 portable radio sets for daily scheduled contact with the base camp.

In November 1967, Canadian National Telecommunications installed a VHF mobile telephone system at Hope Lake, with access to Lake Franklin dew line site and the micro-wave system via Coppermine River village.

GEOLOGICAL SURVEYING

Geological photo interpretation was done on more than 15000 square miles of the central portion of the basalt belt of the Coppermine River rock series in the early spring of 1967.

The main Coppermine River Limited claim of about 144 square miles in area was geologically mapped at a scale of 1" = 1000 ft.

GEOPHYSICAL SURVEYING

Over 190 line miles of geophysical surveying was carried out during the 1967 field season under contract to Huntce Limited. Reconnaissance I. P. accounted for 100 line miles and detailed I. P. 8 miles. Approximately 63 line miles of E. M. surveying was completed plus 10 line miles of magnetometer surveying.

The average number of line miles of reconnaissance I. P. , E.M. and Mag. conducted per day was 1.75, 4.5 and 4.8 line miles respectively. Actual reconnaissance I. P. production varied from 0.6 to 3.5 line miles per day .

From the results of geophysical surveys thus far conducted it appears as though I. P. and MAG. can furnish a valuable guide in selecting areas to be tested by exploratory diamond drilling.

The main I. P. anomaly in Area 47 extends for approximately 6000 feet. Diamond drilling carried out along some 1300' beginning at the north-east termination of the anomaly has indicated excellent correlation between the I. P. results and the zone of disseminated copper that has been outlined so far. Anomalies of this type are regarded as especially significant since to-date only the high-grade copper sulphide minerals, bornite and chalcocite account for such anomalies. Any chalcopyrite or pyrite observed have been of a very minor nature.

Several other anomalies, similar to that associated with copper mineralization in the No. 47 area have been located, especially the associated 56 area, but remain to be tested as part of the 1968 exploratory program of diamond drilling.

ASSESSMENT WORK

An application to record one years assessment work has been filed on the No. 1 or main claim group of Coppermine River Limited (November 30, 1967.)

METALLURGICAL TESTING

Preliminary laboratory concentration tests of oxidized surface samples in 1965 from the No. 1, 2 and 3 areas carried out at Lakefield Research indicated a copper concentrate was obtainable of at least 60% copper content with low silver values.

There is now two tons of diamond drill core at Lakefield Research Limited, from the No. 47 area for more representative beneficiation or concentration tests with results due before next June 15th, 1968.

PLANNED 1968 WORK PROGRAM

A budget for expenditures totalling \$800,000. has been approved by the Directors of Coppermine River Limited, for the 1968 work program to December 31, 1968.

This program may be subject to change depending upon the results obtained during the season.

The major phases of the program are as follows:

Diamond Drilling

A minimum of 50,000 feet is planned. Three new drills and all accessories and supplies have been purchased for operation by the company.

Geophysical Survey

The company is acting as co-ordinator for over 50 companies for an airborne geophysical survey contract, using magnetic and E.M methods to cover the greater part of the Coppermine area basalt series, the host rock for most of the copper occurrences found to-date.

This survey will cover the claim groups of the company, of course, in addition to almost all other companies now active or planning to be so in the Coppermine River area with first results scheduled for about June 15th. or so, in time to assist in guiding the seasons follow-up work by additional geophysical surveying or by diamond drilling, since the information provided will apply to over burdened areas, covering some 70% of the claim group.

Contracts to Huntco Limited, using chiefly I.P. methods have now been let for the season with the major effort directed to the Teshierpi Fault structure where 24 miles of its known length and strike extensions are contained within the No. 1 group.

Geological Survey

More detailed structural and mineralogical studies are planned for the 1968 season in selected areas as a follow-up to the reconnaissance type geological mapping completed during the 1967 season, especially as applied to the Teshierpi Fault area and its associated rock structures such as led to the concentration of copper mineralization in the No. 47 zone.

Construction

Some additional building, tote road and airfield construction will be done in accordance with the original long range planning by the company.

Freighting

Contracts have now been completed with Buyers Transport to freight from Hay River to Echo Bay (600 miles) on Great Bear Lake, using trailers and with Pacific Western Airlines using a Hercules aircraft to deliver from Echo Bay to the base camp (130 miles) at Hope Lake or in the case of oil supplies and products, from Norman Wells to Hope Lake (325 miles).

The cost landed at Hope Lake from Hay River or Norman Wells is about \$100.00 per ton less destination landing charges, a very considerable reduction from the previous year.

The company is again acting as co-ordinator for itself and other Coppermine River area mining companies with a total of about 2000 tons of freight involved of which over 1000 tons belong to Coppermine River Limited, and associated companies.

A weekly charter service for which a DC-4 plane is planned for use on a unit toll rate using the company's airfield at Hope Lake which will be greatly to the cost benefit of the Coppermine River Limited, and to the other companies working in the area.

Management

In line with the company's expanded field program and the preliminary feasibility studies, new staff or consultant appointments have been made as follows:

Mr. John Bracken, P. Eng.

- Resident Manager

Dr. Roger Blais, P. Eng.

- Consulting Geologist, with special studies on the Teshierpi Fault area to be done, 1968 field season

Mr. H.E. Neal, P. Eng.

- Consulting Metallurgist - H.E. Neal & Associates.

Capt. T.C. Pullen

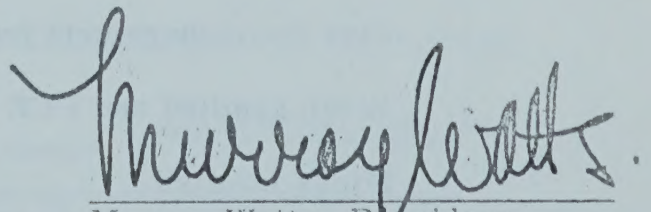
- Consultant - Sea transportation and liaison with Eldorado Mining or Northern Transportation Co. liaison with Dept. of Transport.

Mr. R. Sheardown

- Advisor on transport and communications

Other appointments have yet to be made within the next month.

Respectfully Submitted,



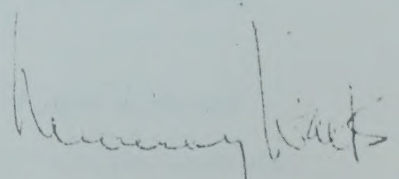
Murray Watts, President
PCE EXPLORATIONS LIMITED

CERTIFICATE

I, MURRAY EDMUND WATTS, of the Borough of North York, in the County of York, in the Province of Ontario, hereby certify: -

1. THAT I am the President and a Director of PCE Explorations Limited and Coppermine River Limited and reside at 55 Bayview Ridge, Willowdale, Ontario;
2. THAT the within Report was based on my personal examination and knowledge of the property and general knowledge of the immediate area since 1965;
3. THAT Assembly Mines Limited, my wholly owned Company, holds a total of 85,000 shares in the capital stock of PCE Explorations Limited and I personally am the beneficial holder of 61,500 escrowed shares in the capital stock of Coppermine River Limited;
4. THAT except as outlined in the preceding paragraph I have no direct or indirect interest in the property covered by this report, nor do I expect to receive any remuneration directly or indirectly from either PCE Explorations Limited or Coppermine River Limited in connection with the property, save for management fees paid and payable by Coppermine River Limited and PCE Explorations Limited to Assembly Mines Limited.

Dated at Toronto, Ontario, this 4th day of March, 1967.


MURRAY E. WATTS.

18. Brief statement of any lawsuits pending or in process against company or its properties.

A Writ Number 7212 for 1967 has issued in the Supreme Court of Ontario in which Albert Arthur Weiss and Massive Minerals Limited are named as Plaintiffs and Morton Robert Goldhar, Consolidated Proprietary Mines Holdings Limited, Murray E. Watts, Watts, Griffis and McOuat Limited and the Company are named as Defendants.

In the statement of claim in this action the Plaintiffs claim against the Company, as follows:

A. On behalf of the Plaintiff, Massive Minerals Limited:

(1) A declaration that it holds in trust for the Plaintiffs all claims staked or acquired by it or on its behalf by the Defendants Watts, or Watts, Griffis and McOuat or upon information originating with the Plaintiffs in the Coppermine River area of the North West Territories or the proceeds from the sale thereof;

(11) delivery of such claims to the Plaintiffs or the proceeds thereof.

B. On behalf of the Plaintiffs, Weiss and Massive Minerals Limited, against all the Defendants:

(1) Damages for conspiracy to breach the Plaintiffs contract with the Defendant Goldhar and subsequently assigned to Consolidated Proprietary Mines Limited in the amount of \$10,000,000.00;

(11) Their costs of this action.

Appearances have been entered for the various Defendants and the action is being defended by the Company. In the opinion of counsel for the Company, the action is without merit and the Company has a good and valid defence against the claims alleged.

Notwithstanding the issue and delivery of the aforesaid Writ and a Statement of Claim on behalf of the plaintiffs, the five corporations financing Coppermine River Limited, (which includes PCE) agreed to accelerate the options they hold on shares of Coppermine to finance the forthcoming field operation of Coppermine River Limited and to cause the incorporation of Teshierpi Mines Limited and to make substantial financial commitments for financing development work on the properties owned by Teshierpi.

19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.

See Schedule "G" on pages 10 to 15 inclusive.

20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.

There are no other material facts. Shares of the capital stock of the Company are not in the course of primary distribution to the public.

DATED February 27th, 1968

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M. Watts"

per:

PCE EXPLORATIONS LIMITED

CORPORATE
SEAL

"R.Y.W. Campbell"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

